

# A Study Of The Perceptions Of Permanent And Contract Employees Towards Performance Appraisals In Budget Hotels In Kolkata

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## ABSTRACT

The demand for rooms in India for this particular category has been high, and budget hotels are expected to gain from the rise in price-conscious tourists. Human capital has been vital to managing this tremendous expansion. For the hotel to expand and remain competitive in the market, its human resources supply services to the customers. When it comes to thanking workers for their effort, human resource procedures are crucial. Enhancing workplace happiness and worker productivity requires effective HR strategies. A performance appraisal system ensures that employees have faith and confidence in the company. The inexpensive hotels in Kolkata are where the current research was done. The survey included both permanent and contract employees from all four major divisions. Responses from 232 employees in total were compiled. Data analysis was carried out using SPSS Version 20.0 and stratified random sampling. The findings showed that, especially for contractual staff, the performance assessment procedure fell short of expectations. The contractual staff did not experience any professional development or advancement.

**Key Words:** Budget Hotels, Performance Appraisal, Job Satisfaction, Permanent Employees, Contractual Employees

## INTRODUCTION

The hotel business is recovering to its pre-covid levels as the sector expands. In these trying times, the staff has been crucial. Since they are essential to keeping clients returning to the hotels, employees have always been a vital element of the hospitality sector. Customer satisfaction is increased by the service given, which also increases an organization's sales. Both contractual and permanent employees make up the workforce, and it is up to them to provide the services that are necessary for the company to succeed. Keeping the temporary workers on staff contributes to reducing operating costs. They also do not benefit greatly from many of the advantages that permanent workers have. There must be a fair and open mechanism in place for assessing performance

in the workplace. However, there appears to be a distinction between contractual and permanent personnel. The goal of the current study is to solve this problem and create a workplace where employees feel driven because they are aware that their work will be objectively assessed. The study was carried out at Kolkata's three-star hotels, where 156 staff from 8 sample hotels participated in the survey. The findings showed that both contractual and permanent employees' opinions of the performance assessment procedure differed significantly. The purpose of the study was to learn how the employees in the chosen hotels felt about the performance appraisal system.

## REVIEW OF LITERATURE

According to (Armstrong, 2012), a performance appraisal is a formal review, rating, and assessment of employees by their immediate managers. Performance evaluation is described as "rating people's job performance for attaining the personnel choices" by (Robbins, 2000).

Numerous academics have compiled a list of the numerous performance evaluation methods and approaches (Jiang, 2001; Chang, 2006; Deb, 2006; Randhawa, 2007; Jafari, 2009). (Aggarwal, 2013). They are the Graphical Rating Scale, Checklist Method, Force Choice Methods, Critical Incident Method, Field Review Method, Performance Test and Observation Method, Management by Objectives (MBO), and 360o Feedback.

Employees are valuable assets to the company, and a performance management system allows us to assess how well they perform at work. High staff turnover is particularly problematic for the hotel business; thus, the human resources department must take full responsibility for finding solutions (Biswakarma, 2016).

(Singh, 2016) stated that the performance assessment system is a more comprehensive idea and is essential to a strategic approach to human resources operations. The method helps with goal-setting, personnel evaluations, and feedback. The issues in this system, according to several research, originate from the disparity in how superior and subordinate are seen.

(Mahachi, 2014) found in their study that operational workers (permanent and contract) were motivated if their bosses acknowledged their efforts at work. They also believed that open lines of communication between management and workers would increase the degree of commitment. There was a clear recommendation that rewards should be equitable and appropriate for all personnel levels.

(Olaimat, 2018) explored how HR policies affected workers' job satisfaction in the setting

of the Jordanian hospitality sector. Recruitment and selection, incentive systems, performance rating systems, employee involvement, and training and development activities were among the several HR practices used for the study. The findings made it abundantly evident that HR procedures had a substantial impact on raising work satisfaction levels. The research also said that a fair and open performance assessment method will provide participants with trust that their performance has been assessed fairly. They emphasized that it's important to carefully record and disclose the factors used to gauge an employee's success.

(Muhammad Asad Khana, 2020) looked studied how performance reviews affected workers' job satisfaction. According to the study, a fair and precise performance management system was essential for improving performance. They mentioned that the performance evaluation method aids in providing appropriate feedback and aids in helping them to improve weak areas.

(Saeed Rashid, 2013) observed that workers were inspired and had high levels of loyalty to their firm in their study titled "Impact of Performance Appraisals and Motivation on Employee's Outputs in Pakistan's Banking Sector." They emphasized that an effective system for performance reviews was a crucial component.

Perception of Performance Appraisal and Workers is the title of research by Festus (2013). the importance of having a fair and open method for performance evaluation. For the deserving personnel, a key result of the performance review system should be the opportunity for promotion. They went on to say that the assessment system's input will assist workers to improve their areas of weakness.

## RESEARCH GAP

Many researchers have studied the topic, however, there is a gap because no one has looked at the Budget Hotel Category. Budget hotels have grown significantly during the past

ten years, helping to meet visitor demand. Additionally, there have not been many studies that have attempted to assess and analyze the levels of satisfaction of contract workers and permanent employees.

### Research Methodology

The current research study area was Kolkata. The investigation used budget hotels. Twelve of the 45 available low-cost hotels were chosen for the research. Respondents included those who worked for the chosen hotels' employers and workers. To gather data, 185 workers were chosen. Both respondents were given questionnaires to complete, and the information was then revised, verified, and entered into MS Excel before being transferred into SPSS Version 20.0 for analysis. The results of the reliability assessment demonstrated the excellent validity of the research instrument.

### Data Analysis

The variable has been assigned VA to VH to measure the perception of performance appraisal in the elected category of hotels. The statement against the variables is as under

The following table presents the descriptive statistics and shows the means of the responses collected from the employees working in the budget hotels and was measured using 5 points Likert Scale.

Where 1= Strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= Strongly agree. Responses obtained have been analysed and illustrated in the form of tables showing the frequencies, percentages, and mean values.

**VA:** Performance rating is based on objective

VA		Frequency	Percent
Valid	Strongly Disagree	13	7.0
	Disagree	20	10.8
	Agree	40	21.6
	Agree	66	35.7
	Strongly Agree	46	24.9
	Total	185	100.0

**VB:** There are set standards for my job

VB		Frequency	Percent
Valid	Strongly Disagree	12	6.5
	Disagree	20	10.8
	Neutral	61	33.0
	Agree	59	31.9
	Strongly Agree	33	17.8
	Total	185	100.0

**VC:** Performance is Continuous Monitored throughout the Appraisal Cycle

VC		Frequency	Percent
Valid	Strongly Disagree	25	13.5
	Disagree	21	11.4
	Neutral	42	22.7
	Agree	55	29.7
	Strongly Agree	42	22.7
	Total	185	100.0

VD: The performance appraisal system is used to set my performance goals

VD		Frequency	Valid Percent
Valid	Strongly Disagree	12	6.5
	Disagree	20	10.8
	Neutral	68	36.8
	Agree	59	31.9
	Strongly Agree	26	14.1
	Total	185	100.0

VE: Modern methods are used to evaluate the employees

VE		Frequency	Valid Percent
Valid	Strongly Disagree	12	6.5
	Disagree	71	38.4
	Neutral	81	43.8
	Agree	21	11.4
	Total	185	100.0

VF: Performance appraisal process encourages co-operation

VF		Frequency	Percent
Valid	Strongly Disagree	4	2.2
	Disagree	3	1.6
	Neutral	18	9.7
	Agree	88	47.6
	Strongly Agree	72	38.9
	Total	185	100.0

VG: I clearly understand the purpose of the performance appraisal process

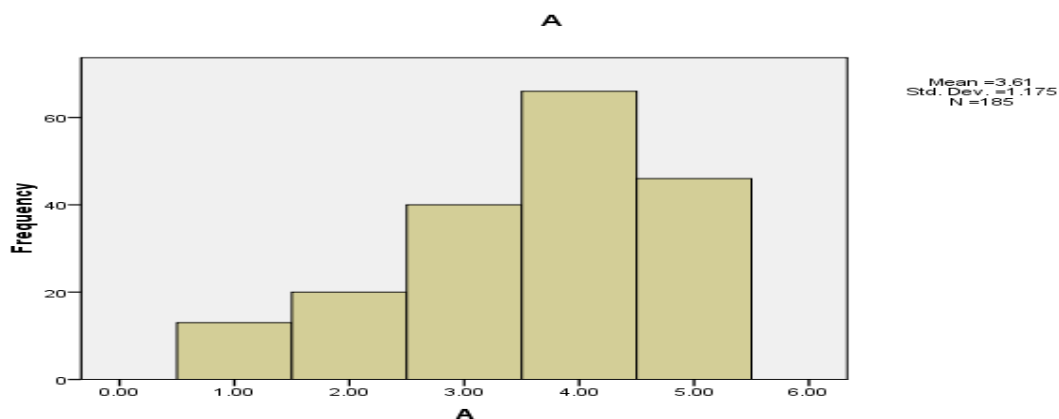
VG		Frequency	Percent
Valid	Strongly Disagree	4	2.2
	Disagree	4	2.2
	Neutral	24	13.0
	Agree	62	33.5
	Strongly Agree	91	49.2
	Total	185	100.0

VH: I am Satisfied with the Appraisal systems

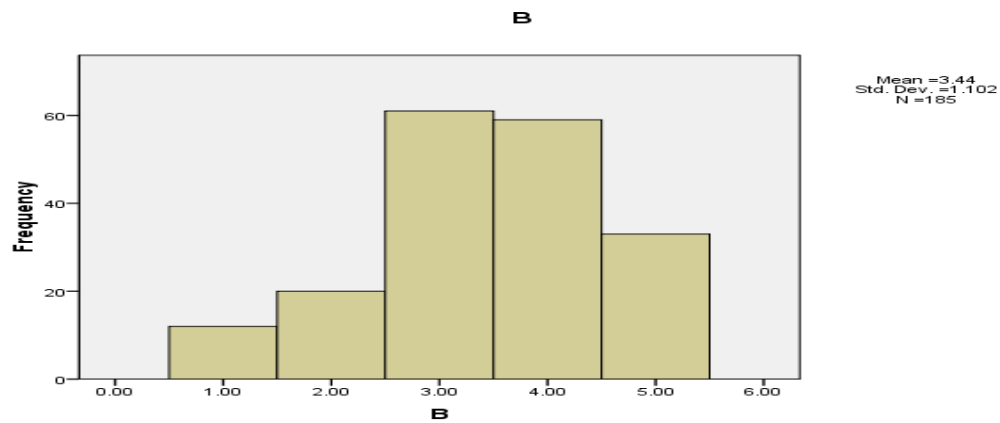
VH		Frequency	Percent
Valid	Strongly Disagree	16	8.6
	Disagree	33	17.8
	Neutral	84	45.4
	Agree	46	24.9
	Strongly Agree	6	3.2
	Total	185	100.0

## HISTOGRAM

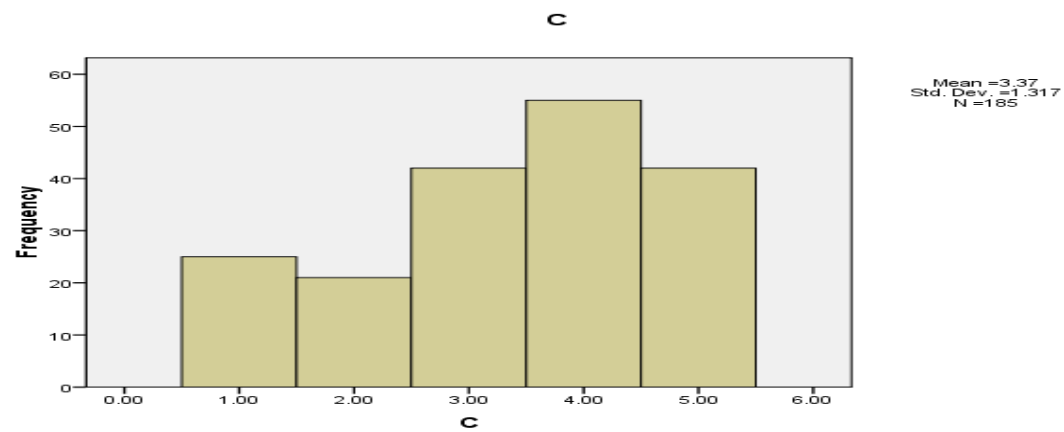
VA: Performance rating is based on objective



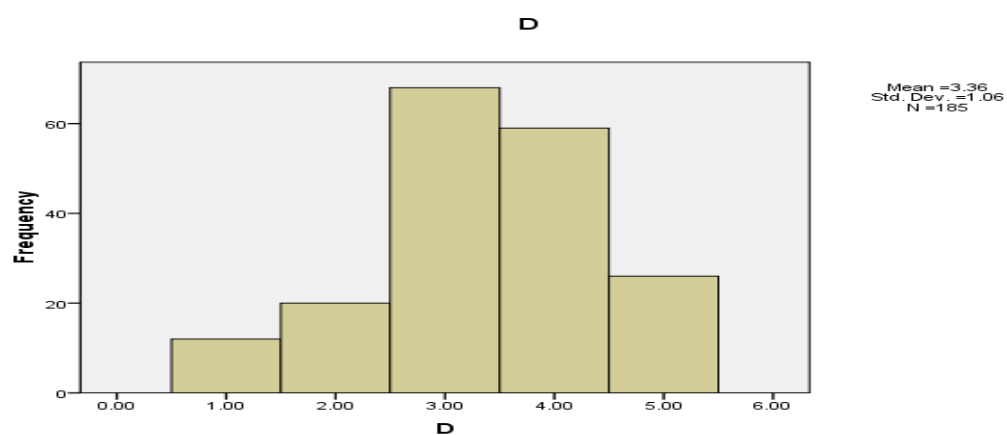
VB: There are set standards for my job



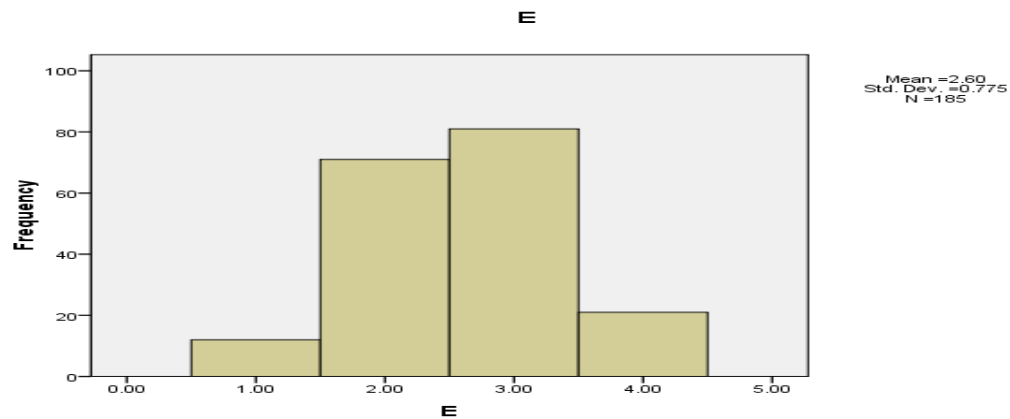
**VC: Performance is Continuous Monitored throughout the Appraisal Cycle**



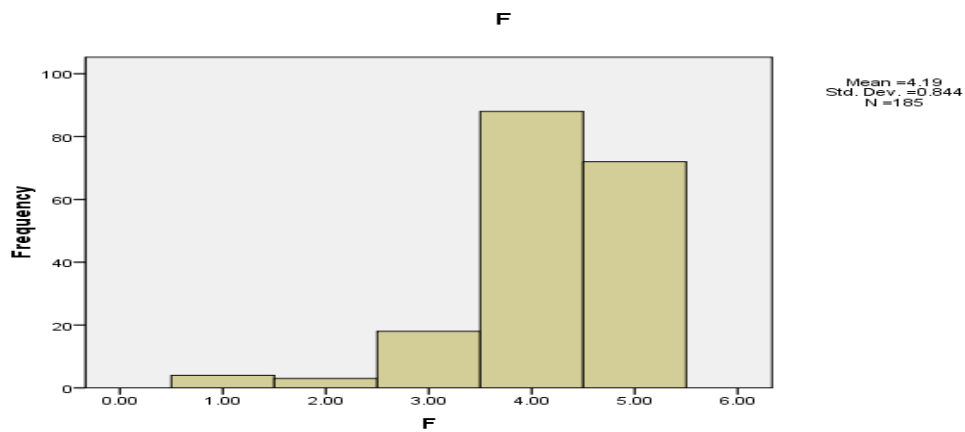
**VD: The performance appraisal system is used to set my performance goals**



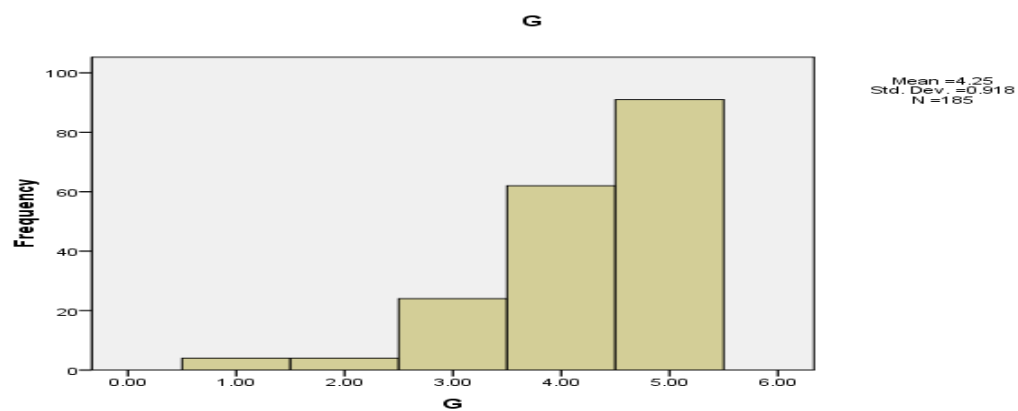
**VE: Modern methods are used to evaluate the employees**



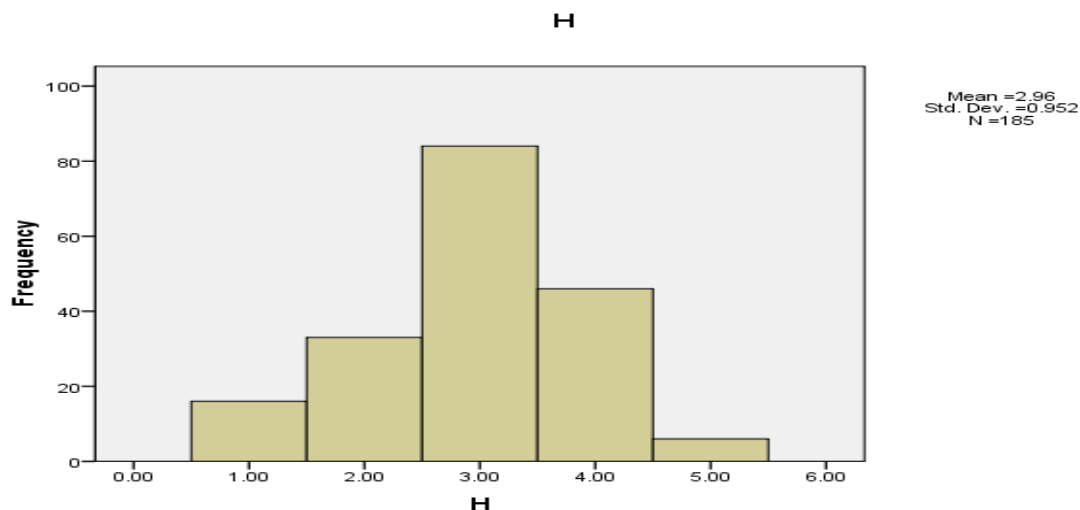
**VF: Performance appraisal process encourages co-operation**



**VG: I clearly understand the purpose of the performance appraisal process**



**VH: I am Satisfied with the Appraisal systems**



**Table 4.1: Descriptive Statistics- Responses of Employees**

Variable	Statement	Mean	SD
VA	Performance rating is based on objective	3.60	1.1753
VB	There are set standards for my job	3.43	1.1022
VC	Performance is Continuous Monitored throughout the Appraisal Cycle	3.37	1.3167
VD	The performance appraisal system is used to set my performance goals	3.36	1.0599
VE	Modern methods are used to evaluate the employees	2.60	0.77460
VF	The performance appraisal process encourages co-operation	4.19	0.84376
VG	I clearly understand the purpose of the performance appraisal process	4.25	0.91799
VH	I am Satisfied with the Appraisal systems	2.96	0.95193

According to the results, the mean value of the employees (permanent and contract) is 3.47. Employees have stated that they fully understand the goal of the performance assessment system (mean value of 4.25), and they all agree that the system promotes

cooperation among co-workers (mean value of 4.19). However, they believe that modern evaluation techniques are not applied (mean value of 2.6), and they are also quite unsatisfied with the appraisal system (2.96).

**Table 4.2- Descriptive Statistics- Gap between the responses of Permanent and Contractual Employees**

Variables	Mean Value of All Employees	Mean Value Permanent Employees	Mean Value Contractual Employees
Performance rating is based on objective	3.6	<b>4.3</b>	<b>2.9</b>
There are set standards for my job	3.43	<b>4.13</b>	<b>2.73</b>



Performance is Continuous Monitored throughout the Appraisal Cycle	3.37	3.44	3.34
The performance appraisal system is used to set my performance goals	3.36	3.38	3.34
Modern methods are used to evaluate the employees	2.6	2.7	2.5
The performance appraisal process encourages co-operation	4.19	4.2	4.17
I clearly understand the purpose of the performance appraisal process	4.25	4.28	4.22
I am Satisfied with the Appraisal systems	2.96	<b>3.3</b>	<b>2.66</b>

From the above table, we can see some significant differences in the responses for permanent and contractual employees. The areas where there is a significant difference are as follows:

- Performance evaluations are based on objective criteria. In this case, the permanent workers strongly concur (mean value: 4.3), whereas the contract employees are ambivalent and just slightly disagree (mean value 2.9)
- There are established standards for my job - Permanent employees point out that their position does have established criteria (mean value 4.13). The contractual workers stated that they lack such established standards and complete tasks that are typically necessary for accordance with requirements (mean value 2.73)
- I am satisfied with the appraisal processes - The permanent employees are somewhat in agreement with this statement (mean value 3.3). Alarming low levels of satisfaction among temporary workers (mean value 2.66)

## RESULTS, CONCLUSION, AND RECOMMENDATIONS

- In the hotels that were chosen, there was hardly any female personnel. The front office was the only division in the hotels with female personnel.
- Permanent personnel dominated the highest level of positions (managerial level).

Contract personnel was only allowed to work at the operational level. The managerial position had a small number of people, nonetheless.

- The study's hotels evaluated performance appraisals using the conventional methodology. The performance evaluation resembled more of a form that needed to be filled out.
- Compliments following an evaluation. It was not made clear, nevertheless, how to solve the problem.
- Contractual workers expressed less satisfaction with the performance evaluation procedure than did permanent workers.

## RECOMMENDATIONS

- Fair and Transparent Performance Appraisal: All employees, regardless of rank, should get a fair and transparent performance evaluation. Performance and productivity will increase as a result.
- Performance Assessment Format: Given that the majority of employees are contract workers, modern performance appraisal techniques should be implemented, and the format should be simple to grasp.
- Giving corrective criticism: By letting employees know where they need to improve, corrective feedback helps to build their confidence at work.

- Getting the Most Out of Training: The staff members should utilize the instruction provided by the hotels to improve their abilities.
- Education Update: Employees should improve their credentials since doing so will guarantee that they advance in their careers.

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